



## **Is the sky the limit for retail rents? Creating whole new districts for retail**

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How high is up for retail rents?

The recent announcement that Hermes renewed its 691 Madison Ave. lease for a reported \$1,700 per s/f set a lot of tongues wagging and eyebrows hitting hairlines. But I'm not surprised, and expect other rents to go higher for the foreseeable future.

After all, parts of Fifth Ave. have broken the \$3,000 per s/f ceiling, and Soho is now seeing renewals for \$1,000 per s/f. The international brands that want statement flagship stores clearly are willing to pay what it takes to have a presence on the most prestigious streets.

This is not a bad thing. Yes, skyrocketing rents can drive smaller retailers out of certain neighborhoods. But many of these entrepreneurs then relocate to an up-and-coming area, creating whole new districts for retail. Priced out of Madison Ave. south of 86th St.? Move north to Carnegie Hill or into Midtown. When Soho gets too expensive, shops move to Nolita and the Lower East Side, or to Brooklyn. Williamsburg getting too rich for your blood? Try Greenpoint - a number of retailers and restaurants are. Retail prosperity then grows around the city, instead of being concentrated in Manhattan.

Pun intended, this is literally a golden age for retail in our city - a wondrous combination of global names and brands in Manhattan, with many of them now looking at our outer boroughs (see more about that below) for sites as they follow their shoppers. I wouldn't be in any other commercial real estate sector at any other time in any other place!

The upcoming holiday season isn't slowing leasing down. Under Armour will open its first store in the city early next year at still-unnamed location. Look for Robert Graham to debut a shop for both men's and women's apparel at 380 Bleecker St. by year end. Gant Rugger has opened at 115 N. 6th St. in Williamsburg. Also new to North 6th St. is Sandro, crossing the river for the first time to 65. Sephora's first Brooklyn location has arrived at 210 Joralemon St. Fragrance maker Nomaterra is coming to 240 Kent Ave. Malin + Goetz has opened at 1270 Madison Ave. Hatch's stylish maternity wear is popping up at its own boutique at 25 Howard St. through the end of the month. Grooming brand Harry's has opened The Corner Shop, a barbershop at 64 MacDougal St. Dennis Basso has relocated to 825 Madison Ave. The Cruciani C accessories store bowed at Time Warner Center.

Our final events of the year, then, have much to celebrate.

An end-of-year highlight for me will be NYCREW's year-end Annual Gala and Vanguard Awards Celebration, set for Tuesday, December 3rd, from 6:30 - 8:30 p.m. at The Columbus Townhouse, 8 East 69th Street. This is always one of my favorite NYCREW gatherings, where we look both backwards with our awards program, and forward to the year ahead. Visit [www.nycrew.org](http://www.nycrew.org) for registration.

And as I mentioned above, growing interest by retailers and developers in the outer boroughs is a

major trend, one I'll be discussing as the moderator of the Women's Special Industry Group year-end program at the International Council of Shopping Centers' New York National Conference. Joining me for "Building the Boroughs: Lessons in Urban Development," are Richard Bearak, director of land use, Office of the Brooklyn Borough president; Seth Bornstein, executive director of the Queens Economic Development Corp; Melissa Burch, executive vice president, Commercial and Residential Development, Forest City Ratner Cos.; Paul Camella, director of development, Welco Realty; Donald Capoccia, managing principal and founder, BFC Partners; Marlene Cintron, president of the Bronx Overall Economic Development Corp; Patricia Dunphy, senior vice president, Rockrose Development; and Caroline Pardo, director of leasing for Jamestown Properties. Our event will be held Monday, December 9th from 4:00 - 5:30 p.m. at the New York Hilton's Mercury Ballroom. Attendance is included in your conference registration, but also is available for a nominal fee if your plans don't include the full meeting. For more information, visit [www.icsc.org](http://www.icsc.org).

I'll see you there. Happy Thanksgiving and Happy Shopping!

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